

**HOUSE BILL NO. 376**View [Daily Data Tracking History](#)View [Bill Text](#)View [Statement of Purpose / Fiscal Impact](#)

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**Daily Data Tracking History**

H0376.....by WAYS AND MEANS  
HEALTH INSURANCE ACCESS CARD - Amends and adds to existing law to set forth provisions for the Idaho Health Insurance Access Card Act; to state legislative purpose; to define terms; to provide for a CHIP Plan B; to provide for the Children's Access Card Program; to provide for the Small Business Health Insurance Pilot Program; to provide for the Idaho Health Insurance Access Card; and to provide for the deposit of certain premium tax funds to the Idaho Health Insurance Access Card Fund and to specify distribution.

03/19 House intro - 1st rdg - to printing

03/20 Rpt prt - to Health/Wel

03/21 Ref'd to Bus

03/28 Rpt out - rec d/p - to 2nd rdg

03/31 2nd rdg - to 3rd rdg

04/01 3rd rdg - PASSED - 53-17-0

AYES -- Andersen, Barraclough, Bedke, Bell, Bieter, Black, Block, Boe, Bolz, Bradford, Campbell, Cannon, Collins, Cuddy, Deal, Denney, Douglas, Edmunson, Ellsworth, Eskridge, Field(18), Gagner, Garrett, Henbest, Jaquet, Jones, Kellogg, Lake, Langhorst, Martinez, Meyer, Miller, Mitchell, Naccarato, Nielsen, Ridinger, Ring, Ringo, Robison, Rydalch, Sayler, Shepherd, Shirley, Skippen, Smith(30), Smith(24), Smylie, Snodgrass, Stevenson, Tilman, Trail, Wills, Mr. Speaker

NAYS -- Barrett, Bauer, Clark, Crow, Eberle, Field(23), Harwood, Kulczyk, Langford, McGeachin, McKague, Moyle, Raybould, Roberts, Sali, Schaefer, Wood

Absent and excused -- None

Floor Sponsors - Black & Gagner

Title apvd - to Senate

04/02 Senate intro - 1st rdg - to Com/HuRes

04/04 Rpt out - rec d/p - to 2nd rdg

04/07 2nd rdg - to 3rd rdg

04/09 3rd rdg - PASSED - 34-0-1

AYES -- Andreason, Bailey, Brandt, Bunderson, Burkett, Burtenshaw, Calabretta, Cameron, Compton, Darrington, Davis, Gannon, Geddes, Goedde, Hill, Ingram, Kennedy, Keough, Little, Lodge, Malepeai(Kumm), Marley, McKenzie, McWilliams, Noh, Pearce, Richardson, Schroeder, Sorensen, Stegner, Stennett, Sweet, Werk, Williams

NAYS -- None

Absent and excused -- Noble

Floor Sponsor - Cameron

Title apvd - to House

04/10 To enrol

04/14 Rpt enrol - Sp signed  
 04/15 Pres signed  
 04/16 To Governor  
 04/22 Governor signed  
 Session Law Chapter 308  
 Effective: 07/01/03

## Bill Text

|||| LEGISLATURE OF THE STATE OF IDAHO ||||  
 Fifty-seventh Legislature First Regular Session - 2003

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 376

BY WAYS AND MEANS COMMITTEE

AN ACT

1  
 2 RELATING TO THE IDAHO HEALTH INSURANCE ACCESS CARD ACT; AMENDING CHAPTER 2,  
 3 TITLE 56, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 56-236, IDAHO CODE,  
 4 TO PROVIDE A SHORT TITLE; AMENDING CHAPTER 2, TITLE 56, IDAHO CODE, BY THE  
 5 ADDITION OF A NEW SECTION 56-237, IDAHO CODE, TO STATE LEGISLATIVE PUR-  
 6 POSE; AMENDING CHAPTER 2, TITLE 56, IDAHO CODE, BY THE ADDITION OF A NEW  
 7 SECTION 56-238, IDAHO CODE, TO DEFINE TERMS; AMENDING CHAPTER 2, TITLE 56,  
 8 IDAHO CODE, BY THE ADDITION OF A NEW SECTION 56-239, IDAHO CODE, TO SET  
 9 FORTH PROVISIONS FOR CHIP PLAN B; AMENDING CHAPTER 2, TITLE 56, IDAHO  
 10 CODE, BY THE ADDITION OF A NEW SECTION 56-240, IDAHO CODE, TO SET FORTH  
 11 PROVISIONS FOR THE CHILDREN'S ACCESS CARD PROGRAM; AMENDING CHAPTER 2,  
 12 TITLE 56, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 56-241, IDAHO CODE,  
 13 TO SET FORTH PROVISIONS FOR THE SMALL BUSINESS HEALTH INSURANCE PILOT PRO-  
 14 GRAM; AMENDING CHAPTER 2, TITLE 56, IDAHO CODE, BY THE ADDITION OF A NEW  
 15 SECTION 56-242, IDAHO CODE, TO SET FORTH PROVISIONS FOR THE IDAHO HEALTH  
 16 INSURANCE ACCESS CARD; AND AMENDING SECTION 41-406, IDAHO CODE, TO PROVIDE  
 17 FOR THE DEPOSIT OF CERTAIN PREMIUM TAX FUNDS TO THE IDAHO HEALTH INSURANCE  
 18 ACCESS CARD FUND AND TO SPECIFY DISTRIBUTION.

19 Be It Enacted by the Legislature of the State of Idaho:

20 SECTION 1. That Chapter 2, Title 56, Idaho Code, be, and the same is  
 21 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
 22 ignated as Section 56-236, Idaho Code, and to read as follows:

23 56-236. SHORT TITLE. This act shall be known and may be cited as the  
 24 "Idaho Health Insurance Access Card Act."

25 SECTION 2. That Chapter 2, Title 56, Idaho Code, be, and the same is  
 26 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
 27 ignated as Section 56-237, Idaho Code, and to read as follows:

28 56-237. PURPOSE. The purpose and intent of this act is to promote the  
 29 availability of health insurance to children and families and to adults who  
 30 are employed by small businesses in Idaho and their dependent spouses whose  
 31 families' gross incomes fall within one hundred eighty-five percent (185%) of  
 32 the federal poverty guidelines.

33 SECTION 3. That Chapter 2, Title 56, Idaho Code, be, and the same is  
 34 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
 35 ignated as Section 56-238, Idaho Code, and to read as follows:

36 56-238. DEFINITIONS. As used in this act:

37 (1) "Children's access card program" means the program created in section  
38 56-240, Idaho Code.

39 (2) "CHIP Plan A" means the existing Idaho children's health insurance

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1 program for children eligible under federal title XXI whose families' gross  
2 incomes do not exceed one hundred fifty percent (150%) of the federal poverty  
3 guidelines.

4 (3) "CHIP Plan B" means the program created in section 56-239, Idaho  
5 Code.

6 (4) "Department" means the department of health and welfare.

7 (5) "Director" means the director of the department of health and wel-  
8 fare.

9 (6) "Eligible adult" means a person:

10 (a) Over eighteen (18) years of age living in Idaho;

11 (b) Whose family's gross income is equal to or less than one hundred  
12 eighty-five percent (85%) of the federal poverty guidelines; and

13 (c) Who is employed full time by a small employer, meaning an employer  
14 with two (2) to fifty (50) employees and as such term is defined in sec-  
15 tion 41-4703, Idaho Code, and who is eligible for health insurance cover-  
16 age under a small employer health benefit plan regulated under chapter 47,  
17 title 41, Idaho Code, or the dependent spouse of such employee.

18 (7) "Eligible child" means a child under nineteen (19) years of age liv-  
19 ing in Idaho whose family's gross income falls within federal poverty guide-  
20 lines for CHIP Plan A or CHIP Plan B. Children currently eligible for CHIP  
21 under federal title XXI may elect to participate in either the Idaho  
22 children's health insurance program (CHIP Plan A) or the children's access  
23 card program. Children whose family's gross income is between one hundred  
24 fifty percent (150%) and one hundred eighty-five percent (85%) of the federal  
25 poverty guidelines may elect to participate in either the CHIP Plan B or the  
26 children's access card program.

27 (8) "Health benefit plan" means any hospital or medical policy or certif-  
28 icate, any subscriber contract provided by a hospital or professional service  
29 corporation, or managed care organization subscriber contract. Health benefit  
30 plan does not include policies or certificates of insurance for specific dis-  
31 ease, hospital confinement indemnity, accident-only, credit, dental, vision,  
32 medicare supplement, long-term care, or disability income insurance, student  
33 health benefits only coverage issued as a supplement to liability insurance,  
34 worker's compensation or similar insurance, automobile medical payment insur-  
35 ance or nonrenewable short-term coverage issued for a period of twelve (12)  
36 months or less.

37 (9) "Small business health insurance pilot program" means the program  
38 created in section 56-241, Idaho Code.

39 SECTION 4. That Chapter 2, Title 56, Idaho Code, be, and the same is  
40 hereby amended by the addition thereto of a **NEW SECTION**, to be known and des-  
41 ignated as Section 56-239, Idaho Code, and to read as follows:

42 56-239. CHIP PLAN B. (1) There is hereby created in the department a CHIP  
43 Plan B that shall be made available by the department to eligible children, as  
44 defined in section 56-238, Idaho Code, whose family's gross income is between  
45 one hundred fifty percent (150%) and one hundred eighty-five percent (85%) of  
46 the federal poverty guidelines. The director shall implement the program by  
47 adopting rules recommended by the board of the Idaho high risk reinsurance  
48 pool created in section 41-5502, Idaho Code, that authorize policies of health  
49 insurance for children enrolled in the CHIP Plan B.

50 (2) There is hereby created a CHIP Plan B advisory board which shall  
51 advise the Idaho high risk reinsurance pool board concerning issues related to  
52 the CHIP Plan B. The board shall consist of eight (8) members, four (4) mem-  
53 bers to be appointed by the director and four (4) members to be appointed by

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1 the governor. At least two (2) members of the board shall be parents of chil-  
2 dren who are eligible to participate in the CHIP Plan B.

3 SECTION 5. That Chapter 2, Title 56, Idaho Code, be, and the same is  
4 hereby amended by the addition thereto of a **NEW SECTION**, to be known and des-  
5 ignated as Section 56-240, Idaho Code, and to read as follows:

6 56-240. CHILDREN'S ACCESS CARD PROGRAM. (1) There is hereby created in  
7 the department a children's access card program that shall, through the Idaho  
8 health insurance access card program, make payments to the insurance company  
9 providing coverage under a health benefit plan, as defined in section 56-238,  
10 Idaho Code, for a child who is eligible for federal title XXI benefits under  
11 CHIP Plan A or CHIP Plan B. In each month the insurance coverage is in effect,  
12 a one hundred dollar (\$100) payment shall be applied to the monthly insurance  
13 premium billed each month by the insurance company with a maximum payment of  
14 three hundred dollars (\$300) for all dependent children in the family. The  
15 director shall implement the program by adopting rules recommended by the  
16 board of the Idaho high risk reinsurance pool created in section 41-5502,  
17 Idaho Code.

18 (2) Participation in the children's access card program by any employer  
19 shall be optional. Nothing in this act shall be construed to mandate or  
20 require that an employer participate in the children's access card program.

21 (3) There is hereby created a children's access card program advisory  
22 board which shall advise the Idaho high risk reinsurance pool board concerning  
23 issues related to the children's access card program. The board shall consist  
24 of eight (8) members, four (4) members to be appointed by the director and  
25 four (4) members to be appointed by the governor. At least two (2) members of  
26 the board shall be parents of children who are eligible to participate in the  
27 children's access card program.

28 SECTION 6. That Chapter 2, Title 56, Idaho Code, be, and the same is  
29 hereby amended by the addition thereto of a **NEW SECTION**, to be known and des-  
30 ignated as Section 56-241, Idaho Code, and to read as follows:

31 56-241. SMALL BUSINESS HEALTH INSURANCE PILOT PROGRAM. (1) There is  
32 hereby created in the department a small business health insurance pilot pro-  
33 gram that shall be made available to up to one thousand (1,000) eligible  
34 adults, as defined in section 56-238, Idaho Code, based on available funding.  
35 The director shall implement the program by adopting rules recommended by the  
36 board of the Idaho high risk reinsurance pool created in section 41-5502,  
37 Idaho Code, providing for the payment of the benefit authorized in subsection  
38 (2) of this section through the use of the Idaho health insurance access card.

39 (2) The small business health insurance pilot program shall, through the  
40 Idaho health insurance access card program, pay to the insurance company pro-  
41 viding insurance coverage through policies regulated under chapter 47, title  
42 41, Idaho Code, for an adult enrolled in the small employer health insurance  
43 pilot program, for each month the insurance coverage is in effect, a one hun-  
44 dred dollar (\$100) payment to be applied to the monthly insurance premium  
45 billed each month by the insurance company.

46 (3) Participation in the small business health insurance pilot program by  
47 any employer shall be optional. Nothing in this act shall be construed to man-  
48 date or require that an employer participate in the pilot program. Small  
49 employers who choose to participate in the small business health insurance  
50 pilot program shall contribute at least fifty percent (50%) of the employee  
51 premium and at least fifty percent (50%) of the combination of employee and

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1 dependent spouse contribution percentage for those employees and their depend-  
2 ent spouses who are enrolled in the small business health insurance pilot pro-

3 gram.

4 (4) There is hereby created a small business health insurance advisory  
5 board which shall advise the Idaho high risk reinsurance pool board concerning  
6 issues related to the small business health insurance pilot program. The board  
7 shall consist of eight (8) members, four (4) members to be appointed by the  
8 director and four (4) members to be appointed by the governor. At least four  
9 (4) members of the board shall be representatives of small businesses, meaning  
10 those with two (2) to fifty (50) employees, that offer employee health benefit  
11 plans regulated under chapter 47, title 41, Idaho Code.

12 SECTION 7. That Chapter 2, Title 56, Idaho Code, be, and the same is  
13 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
14 ignated as Section 56-242, Idaho Code, and to read as follows:

15 56-242. IDAHO HEALTH INSURANCE ACCESS CARD. (1) The director shall  
16 develop an Idaho health insurance access card program in the department to  
17 implement the children's access card program and the small business health  
18 insurance pilot program.

19 (2) (a) There is hereby created and established in the state treasury a  
20 fund to be known as the "Idaho health insurance access card fund." Moneys  
21 in the fund shall be maintained in three (3) subaccounts, identified  
22 respectively as the "CHIP Plan B subaccount," the "children's access card  
23 program subaccount" and the "small business health insurance pilot program  
24 subaccount." Appropriations, matching federal funds, grants, donations and  
25 moneys from other sources shall be paid into the fund. The department  
26 shall administer the fund. Any interest earned on the investment of idle  
27 moneys in the fund shall be returned to and deposited in the fund.

28 (b) Moneys in the CHIP Plan B subaccount, the children's access card pro-  
29 gram subaccount and the small business health insurance pilot program  
30 subaccount shall be expended pursuant to appropriation for the payment of  
31 benefits and capped administrative costs of the department.

32 (3) The director shall apply for waivers of federal title XXI and title  
33 XIX to subsidize health care coverage under the CHIP Plan B, the children's  
34 access card program and the small business health insurance pilot program.  
35 Federal matching funds received by the department to provide coverage under  
36 CHIP Plan B, the children's access card program and the small business health  
37 insurance pilot program shall be deposited in the appropriate subaccount.

38 (4) The director is authorized to promulgate rules recommended by the  
39 board of the Idaho high risk reinsurance pool to implement the CHIP Plan B,  
40 the children's access card program and the small business health insurance  
41 pilot program.

42 (5) Insurers offering health benefit plans regulated under chapter 47,  
43 title 41, Idaho Code, shall accept payment for such plans under the small  
44 business health insurance pilot program pursuant to rules promulgated by the  
45 department. Insurers offering health benefit plans, as defined in section  
46 56-238, Idaho Code, shall accept payment for such plans under the children's  
47 access card program.

48 (6) The CHIP Plan B and the children's access card program shall be  
49 implemented by July 1, 2004. Implementation of the small business health  
50 insurance pilot program shall begin on July 1, 2005.

51 SECTION 8. That Section 41-406, Idaho Code, be, and the same is hereby  
52 amended to read as follows:

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1 41-406. DEPOSIT AND REPORT OF FEES, LICENSES AND TAXES. (1) The director  
2 shall transmit all taxes, fines and penalties collected by him to the state  
3 treasurer as provided under section 59-1014, Idaho Code. The director shall  
4 file with the state controller a statement of each deposit thus made. All such  
5 funds received shall be deposited into the department of insurance suspense  
6 account.

7 Such funds shall be distributed as follows:

8 (a) The director may deposit up to twenty percent (20%) of the funds  
 9 received in the insurance refund account which is hereby created for the  
 10 purpose of repaying overpayments of any taxes, fines, and penalties or  
 11 other erroneous receipts. There is hereby appropriated out of the insur-  
 12 ance refund account so much thereof as shall be necessary for the payment  
 13 of refunds. Any unencumbered balance remaining in the insurance refund  
 14 account on June 30 of each and every year in excess of forty thousand dol-  
 15 lars (\$40,000) shall be transferred to the general fund and the state con-  
 16 troller is hereby authorized and directed on such dates to make such  
 17 transfers unless the board of examiners, which is hereby authorized to do  
 18 so, changes the date of transfer or sum to be transferred.

19 (b) That portion of the premium tax, payable to the public employee  
 20 retirement fund as provided in section 59-1394, Idaho Code, shall be dis-  
 21 tributed to that fund.

22 (c) That portion of the premium tax necessary to cover administrative  
 23 costs incurred by the department in placing insurance companies or any  
 24 other insurance entities into receivership or under administrative super-  
 25 vision, and such costs cannot be satisfied from the assets of these compa-  
 26 nies or entities, shall be distributed to the insurance insolvency admin-  
 27 istrative fund which is hereby created. There is hereby appropriated out  
 28 of the insurance insolvency administrative fund so much thereof as shall  
 29 be necessary, but not to exceed two hundred thousand dollars (\$200,000) in  
 30 any one (1) fiscal year, for the payment of the department's administra-  
 31 tive expenses incurred in carrying out such receiverships or supervision.  
 32 A balance of one hundred thousand dollars (\$100,000) shall be maintained  
 33 in this fund on June 30 of each year.

34 (d) After all other deductions authorized in this section have been made,  
 35 if the premium tax remaining exceeds forty-five million dollars  
 36 (\$45,000,000), one-fourth (1/4) of such excess is hereby appropriated and  
 37 shall be paid to the Idaho high risk individual reinsurance pool estab-  
 38 lished in chapter 55, title 41, Idaho Code, and one-fourth (1/4) of such  
 39 excess above fifty-five million dollars (\$55,000,000) is hereby appropri-  
 40 ated and shall be paid to the Idaho health insurance access card fund,  
 41 established in section 56-242, Idaho Code, with eighty percent (80%) of  
 42 such moneys to be appropriated to the CHIP Plan B subaccount and the  
 43 children's access card program subaccount and twenty percent (20%) of such  
 44 moneys, not to exceed one million two hundred thousand dollars  
 45 (\$1,200,000) per year, to be appropriated to the small business health  
 46 insurance pilot program subaccount.

47 (e) The balance of the premium tax, fines and penalties shall be distrib-  
 48 uted to the general fund of the state of Idaho.

49 (f) All moneys received for fees, licenses and miscellaneous charges col-  
 50 lected shall be distributed to the insurance administrative account.

51 (2) The director shall make and file with the state controller an item-  
 52 ized statement of the fees, licenses, taxes, fines and penalties collected by  
 53 him during the preceding month, and shall deliver a certified copy of the  
 54 statement to the state treasurer.

## Statement of Purpose / Fiscal Impact

### STATEMENT OF PURPOSE

RS 13172C2

The purpose of this bill is to give families of children eligible for the Children's Health Insurance Program (CHIP) a choice between enrolling their children in CHIP and enrolling their children in a new Health Insurance Access Card program. The Health Insurance Access Card is a premium assistance program that would provide support for purchase of commercial insurance (either employer-sponsored or individual plans). The bill would also create a capped expansion of CHIP from 150% of federal poverty to 185% of federal poverty. This expanded CHIP, called CHIP Plan B, would have fewer benefits and some beneficiary cost-

sharing as compared to the current CHIP, which gives beneficiaries Medicaid-level benefits. The Health Insurance Access Card would be a program choice for both current and expanded CHIP eligibles. Further, the bill would create a capped pilot program for adults enrolled in small businesses (2 to 50 employees) in which employees and/or their dependent spouses up to 185% of federal poverty could enroll in the Health Insurance Access Card program. This would grant adult beneficiaries limited financial support for purchase of employer-sponsored small group health insurance plans. This segment of the program is meant to facilitate creation and maintenance of employer-based small group health insurance plans.

#### FISCAL IMPACT

There is no fiscal impact on the General Fund. The Idaho Health Insurance Access Card proposal is funded with future receipts of premium tax. The requests are one-fourth of the premium tax above \$55 million. We are currently below \$55 million but anticipate hitting that level in the next year or so. The premium tax collected is deposited in a trust account established within CHIP's and is matched on an 80%/20% basis. If we were to collect \$2 million of premium tax, it would be matched with \$8 million of federal funds. That would generate over 8000 access cards at \$1,200 a year. It is also hoped that we might obtain grants and other funds as well.

#### Contact

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STATEMENT OF PURPOSE/FISCAL NOTE

H 376